

August 15, 2002

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Room TW-A325
Washington, DC 20554

Re: Permitted Oral Ex Parte Presentation
Amendment of the Commission's Space
Station Licensing Rules and Policies
IB Docket Nos. 02-34 & 00-248

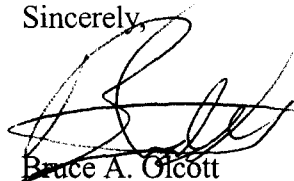
Dear Secretary Dortch:

On Tuesday, August 14, 2002, representatives of the Satellite Industry Association ("SIA") met with representatives of the International Bureau to discuss SIA's comments in the Commission's Satellite Licensing Reform proceeding. In attendance at the meeting for the FCC were Thomas Tycz, Chief, Satellite Division, Fern Jarmulnek, Deputy Chief, Satellite Division, Jennifer Gilsenan, Chief, Policy Branch, John Martin, Senior Engineer, Satellite Division, and Steven Spaeth, Policy Branch. In attendance for SIA were Richard DalBello, SIA, Peter Hadinger, TRW, Keith Bernard, Hughes Network Systems, Milenko Stojkovic, Intelsat, David Konczal, Shaw Pittman on behalf of MSV, Matt Botwin, Panamsat, Larry Williams, New ICO, and Bruce Olcott, Squire, Sanders & Dempsey on behalf of Boeing.

During the meeting, SIA representatives highlighted the constructive improvements that could be made to the Commission's satellite licensing process, which were detailed in SIA's comments in the above referenced proceeding. SIA also distributed the attached bullets, which provided a roadmap for the discussion.

Thank you for your attention to this matter. Please let me know if you have any questions.

Sincerely,



Bruce A. Olcott

Copy: Thomas Tycz, Chief, Satellite Division
Fern Jarmulnek, Deputy Chief, Satellite Division
Jennifer Gilsenan, Chief, Policy Branch
John Martin, Senior Engineer, Satellite Division
Steven Spaeth, Policy Branch

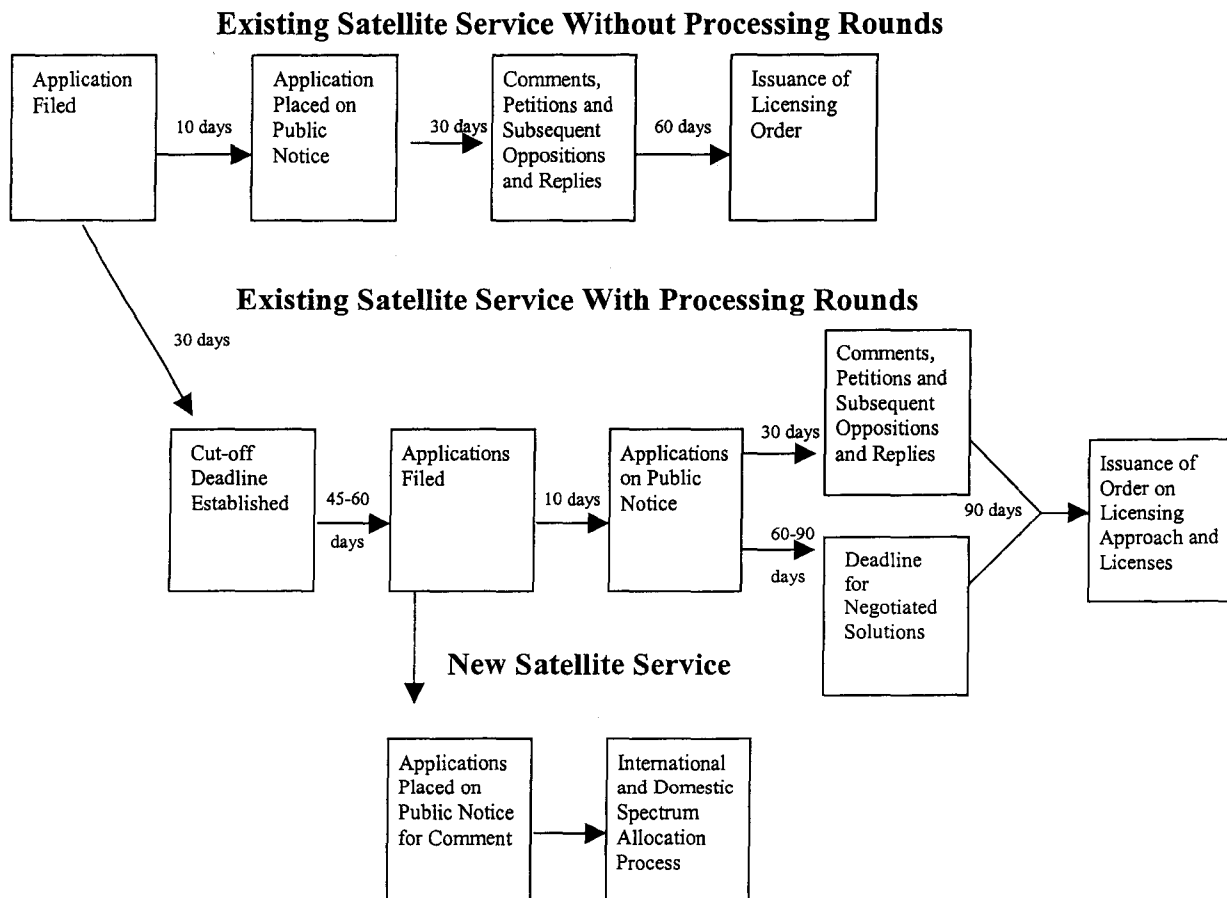
Space Station Licensing Reform

Presentation of the Satellite Industry Association

August 14, 2002

- The Commission can, and should, improve its system for granting satellite licenses, rather than replace it with the first-come, first-served approach included in the *NPRM*.
- The Commission's use of processing rounds, combined with the licensing of space segment, has contributed significantly to the success of the global satellite industry.
 - Processing rounds provide certainty and reliability to satellite operators.
 - By establishing a fixed applicant pool, processing rounds enable the adoption of equitable solutions to the licensing of competing applications.
 - The use of a fixed applicant pool also helps to create new satellite services by giving applicants an incentive to assist in the ITU spectrum allocation process.
 - Processing rounds enable the Commission to promote the use of new technologies to maximize efficient spectrum use.
 - Processing rounds effectively help to maximize the number of spectrum users because the Commission almost always issues licenses to all of the applicants.
- The Commission can make significant improvements to the current system by minimizing sources of delay that are within its control (recognizing that some delay (*i.e.*, ITU spectrum allocation) is outside of its control).
- Some improvements have already been adopted. For example, the International Bureau adopted in 1998 a policy of placing applications on public notice within 10 days after their receipt by the Commission.
 - This expedited approach was used this month for 2 GHz MSS modification and transfer applications.
 - In contrast, applications for V-band satellite systems were filed in September 1997 (prior to the new policy) and still have not gone on public notice.
- This expedited policy should also be used for the creation of new processing rounds.
 - A cut-off notice should be issued within 30 days of the filing of a new application, which should set a deadline for the filing of competing applications.
 - Once the deadline has passed, all applications should be placed on public notice together using the 10-day deadline.
- Another improvement that is already being implemented involves the use of uniform service rules for different satellite services.

- For example, in the 2 GHz MSS proceeding the Commission concluded that it should adopt the same service rules that were used in the Big LEO proceeding with limited exceptions.
- The most significant source of delay in the licensing phase of a processing round for a new satellite service is lengthy settlement negotiations among the applicants.
- The Commission could issue a public notice immediately after the passage of an application cut-off date that would:
 - Establish a 30-day deadline for the filing of comments and petitions (along with subsequent deadlines for oppositions and replies), and
 - Establish a concurrent 60- to 90-day deadline for filing any proposals that some or all of the applicants may negotiate for resolving mutual exclusivity.
 - Once the pleading and negotiation periods are complete, the Commission would consider *ex parte* presentations only for a period of 30 days.
 - The Commission would then issue an order within 90 days following the close of the *ex parte* period, which would include a decision on the distribution of spectrum and orbital assets among the applications.
- As indicated in the diagram shown below, such an approach could expedite substantially the process for licensing satellite networks.



- The Commission should expedite inquiries regarding milestone compliance (as it did this year with First Round Ka-band and 2 GHz MSS).
 - About four years pass between license issuance and license revocation.
 - More than half of this delay involves the lag between the milestone deadline and the release of a revocation order.

Cancellation Order	Date of Licensing	FCC Milestone Determination	IB Order of Cancellation	FCC Order on Review	Approx. Interval
DA 01-1315	July 1, 1997	Signed non-contingent contract, but later introduced contingency	May 31, 2001	Not requested	4 years, 11 months
DA 00-1266	May 9, 1997	Did not enter into construction contract	June 26, 2000	May 25, 2001	4 years
DA 00-1265	May 9, 1997	Entered into contingent contract after deadline	June 26, 2000	May 25, 2001	4 years
DA 00-1264	May 9, 1997	Entered into contract 18 months after deadline	June 26, 2000	Not requested	3 year
DA 96-363	July 7, 1992	Entered into contingent contract after one extension	Mar. 14, 1996	Oct. 10, 1997	5.25 years
DA 92-292	Dec. 7, 1988	Did not enter into contract following one extension	Mar. 11, 1992	June 27, 1993	4.5 years

- If the Commission adopts a CDR completion milestone, licensees should select their own CDR deadlines since this would not delay the initiation of service to consumers.
- The Commission should make other improvements in its satellite licensing process.
 - The Commission should require satellite applicants to file electronically.
 - The technical disclosure requirements for applicants should be streamlined.
 - The Commission should require the submission of ITU materials as part of an application, which could expeditiously be provided to the ITU.
- The Commission should streamline its satellite regulatory process in order to free Commission resources to address licensing issues.
 - Satellite operators using multiple orbital positions should be permitted to move licensed satellites between authorized orbital positions subject to limited restrictions and reporting requirements.
 - The Commission should simplify its process for granting STA requests by incorporating into its rules its existing processing procedures.
 - The Commission should automatically renew existing satellite authorizations for an additional five years (matching the 15 year period for new satellites).